

REDEVELOPMENT AGENCY OF
EAGLE MOUNTAIN CITY
MEETING MINUTES

June 18, 2013

7:00 P.M.

Eagle Mountain City Council Chambers, 1650 East Stagecoach Run, Eagle Mountain, Utah 84005

RDA BOARD MEMBERS PRESENT: Donna Burnham, Heather Jackson, Ryan Ireland, Nathan Ochsenhirt, John Painter and Richard Steinkopf.

1. CALL TO ORDER

Board Chair Heather Jackson called the meeting to order at 7:12 p.m.

PUBLIC HEARING

2. RESOLUTION – Consideration and Adoption of a Resolution of the Board of Directors of the Redevelopment Agency of Eagle Mountain City, Utah, Adopting the Project Area Plan for the Parkside Community Development Project Area; and Providing for an Effective Date.

This item was presented by City Administrator Ifo Pili and Cody Deeter of Lewis Young Robertson & Burningham. Mr. Pili explained that a Community Development Area is allowed by State law to provide tax incentives to encourage economic development. Eagle Mountain and Utah County are both contributing to the CDA. It will significantly increase the value and tax revenue of the land. The additional tax revenue will be used to provide tax increments to Ridley's Market.

Mr. Deeter said the proposed resolution approves the Project Area Plan (the "Plan") for the Parkside Community Development Area. This will be the biggest commercial project in Eagle Mountain to date. In ten years, the property will be worth over \$67M, generating thousands of dollars in tax revenue. Currently, the land is worth \$302K and only generates a few dollars a year in property taxes. The community development area is created to help stimulate capital investment and development in an underutilized area, provide an amenity that the City needs, to provide a desired service, expand the tax base, create jobs.

The first public hearing will allow comment on the Project Area Plan and whether it should be revised, approved or rejected. The Plan provides a framework under which tax increment will flow. The Budget defines how the tax increment will be funded.

Board Chair Heather Jackson opened the public hearing at 7:22 p.m. As there were no comments, she closed the hearing.

MOTION: *Board Member Painter moved to adopt a Resolution of the Board of Directors of the Redevelopment Agency of Eagle Mountain City, Utah, adopting the Project Area Plan for the Parkside Community Development Project Area; and providing for an effective date. Board Member Steinkopf seconded the motion. Those voting aye: Donna Burnham, Heather Jackson, Nathan Ochsenhirt, John Painter and Richard Steinkopf. Those voting no: Ryan Ireland. The motion passed with a 5:1 vote.*

PUBLIC HEARING

3. RESOLUTION – Consideration and Adoption of a Resolution of the Board of Directors of the Redevelopment Agency of Eagle Mountain City, Utah, Adopting the Project Area Budget for the Parkside Community Development Project Area; and Providing for an Effective Date.

This item was presented by Cody Deeter of Lewis Young Robertson & Burningham. The proposed Resolution approves the Project Area Budget for the Parkside Community Development Project Area as the official Budget for the Project Area. The current value of the property is \$302,100, most of which is classified as green belt. The annual tax revenue to the City is approximately \$4.00. The term of the CDA budget will be approximately ten years. Significant property and sales taxes will be generated by the project area. The tax increment will be capped at \$500,000 or ten years, whichever happens first, at which point the CDA will end.

Board Member Ochsenhirt asked if there will be a performance requirement for the developer to receive the tax increment. Mr. Pili said the process is entirely performance-based.

Board Member Ireland asked why the Unified Fire Authority was not included as a participating entity. Mr. Pili said the plan was originally written before UFA was associated with the City. An interlocal agreement could be entered into with UFA.

Board Chair Heather Jackson opened the public hearing at 7:33 p.m.

Lois Leikam asked if the sustainability of this project has been studied. She also asked if the City provided the infrastructure. Mr. Pili responded that Ridley's has 17 stores in five states and is buying additional stores. An ACE Hardware store will be attached to the market, which will increase its value. When the CDA was going to be anchored by Coop's Market, a study was done and found that a grocery store would be viable. The City's only infrastructure commitment will be the widening of Pony Express Parkway, which will be paid for by impact fees and was already included in the Capital Facilities Plan.

Nick Jessen asked what property value the tax revenue is based on and how the City can be assured that the revenue will be realized. Mr. Deeter said the property value is determined by comparison with similar stores in the county. The City is assuming a phased construction approach, rather than immediate full tenancy. The risk, if the project doesn't succeed, is entirely on the developer.

Mr. Jessen asked what would happen if the developer lost money on the investment. If the project fails, the City will not intervene to save it.

Mr. Pili stated that the City Council has always been concerned about the appropriateness of directly supporting private business. However, a grocery store is the number one request of residents.

Mr. Jessen was concerned that the City is taking a major risk and hoped that the City has a backup plan if the project doesn't succeed.

Luke Pannell said the residents need to support businesses that come into the City. Economic development is the only way to offset property tax costs. He did have some concern about the financial risk the City is taking.

Board Chair Heather Jackson closed the public hearing at 7:47 p.m.

MOTION: *Board Member Painter moved to adopt a Resolution of the Board of Directors of the Redevelopment Agency of Eagle Mountain City, Utah, adopting the Project Area Budget for the Parkside Community Development Project Area; and providing for an effective date. Board Member Ochsenhirt seconded the motion. Those voting aye: Donna Burnham, Heather Jackson, Nathan Ochsenhirt, John Painter and Richard Steinkopf. Those voting no: Ryan Ireland. The motion passed with a 5:1 vote.*

Board Member Ireland stated that, while he is fully in support of this project, he didn't feel that a retail business was appropriate for tax increment financing. They should locate in Eagle Mountain when it makes economic sense for them. He felt tax increment financing should be used for non-retail businesses.

Board Member Burnham said that philosophically, she agreed with Board Member Ireland; however, she voted yes based on the continual requests of the residents that the City do something to bring retail development into the City.

Mr. Pili said that City staff have contacted many businesses regarding locating in Eagle Mountain. Once these businesses heard that a grocery store will be an anchor tenant in the project, they began to show much more interest in locating in the City.

Board Member Ochsenhirt stated that \$500,000 is a lot of money for the City to give up, but it will be more than balanced by tax revenue and job creation. The anchor tenant in this CDA will attract many other businesses. As a "to" destination rather than a "through" destination, Eagle Mountain struggles to attract businesses.

Board Member Steinkopf said that he shops at Ridley's in Orem and Lindon. Their prices are competitive and their company is reputable. He was in the retail business for over 50 years, and this is a great opportunity for the City. He hoped the community would support Ridley's.

4. ADJOURNMENT

The meeting was adjourned at 8:02 p.m.